

Introduction to Social Impact Measurement and Orientation

Copenhagen, 27 November 2014

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Objectives of the „Innovative Project Management Tools session“ on social impact

During this workshop, you will...

- ✓ ... learn about social impact and impact orientation,
- ✓ ... develop your “theory of change” on how you make a difference in society,
- ✓ ... give and receive peer-feedback during our practical session,
- ✓ ... discuss indicators to show and measure your social impact,
- ✓ ... learn how to communicate and scale up your projects' social impact.



Agenda



- **The meaning of impact for the social sector**
- Your impact (practical session)
- How to develop an indicator



Social Impact defines the success of a Non-Profit Organization – Communicating Social Impact means communicating success in the non-profit world

For-Profit: Success = Profit Maximization

Non-Profit: Success = ???

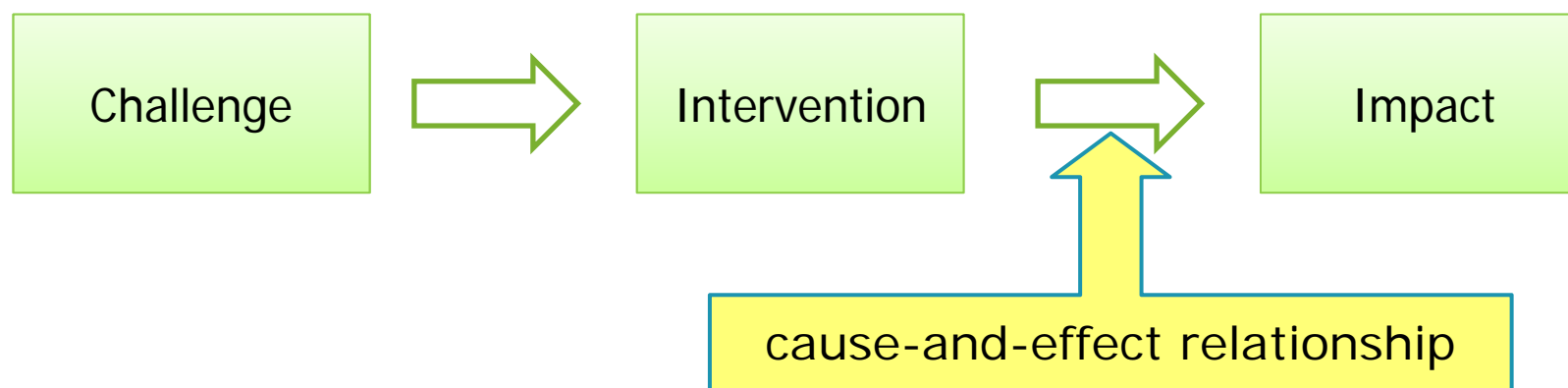




Impact is ...

Impact refers to a planned change that can be traced back to a certain measure (intervention) taken.

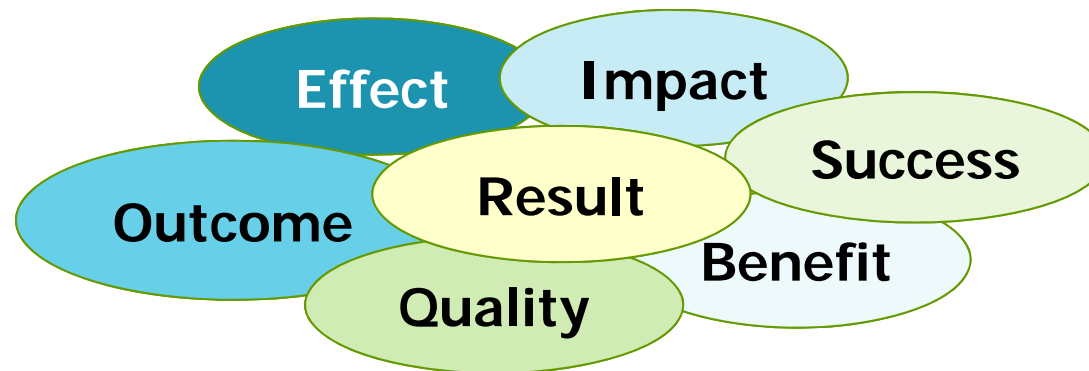
Causality (lat. *causa* – “cause”) refers to the relationship between *cause* and *impact*, and therefore also applies to a series of interrelated events and conditions.





Terminology: There is no uniform usage of terms

- In academia and practice different words and definitions are used in the context of impact analysis
- The following explanations are based on the **Input-Output-Outcome-Impact-Methodology (IOOI)**.





Impact is diverse

Impact can be...

- Short-, mid- or longterm
- Direct and indirect
- Intended and unintended
- Expected and unexpected
- Positive and negative
- Immediate and sustainable
- Individually and collectively

Impact

Impact

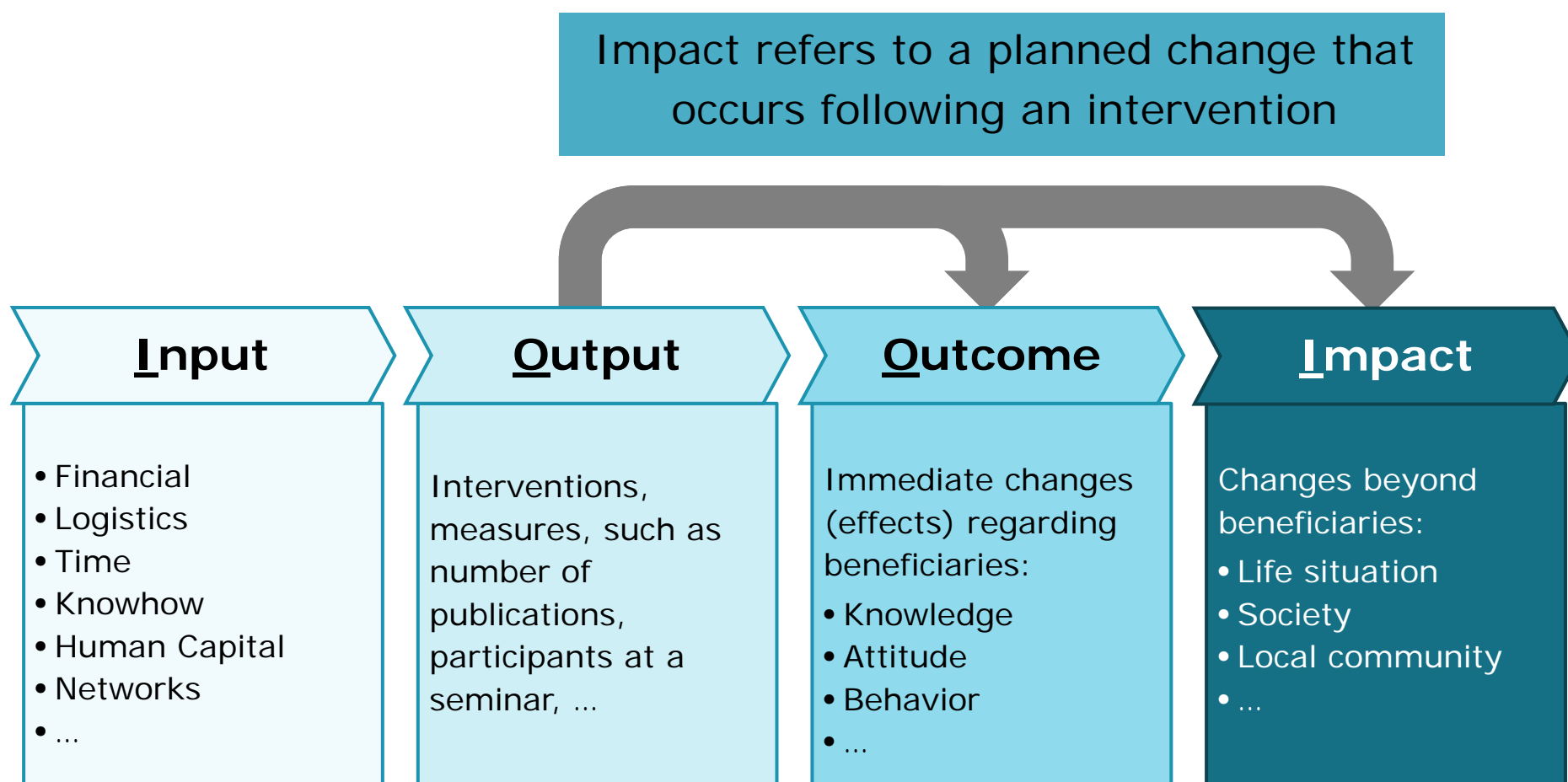
Impact

Impact

Impact



IOOI Logic Model





Example: a production school

The project is based on a concept that has been successfully implemented in Denmark.

The aim is to strengthen the personal development of young people who have not completed a qualifying youth education and to increase their chances in the education system and the ordinary labour market.

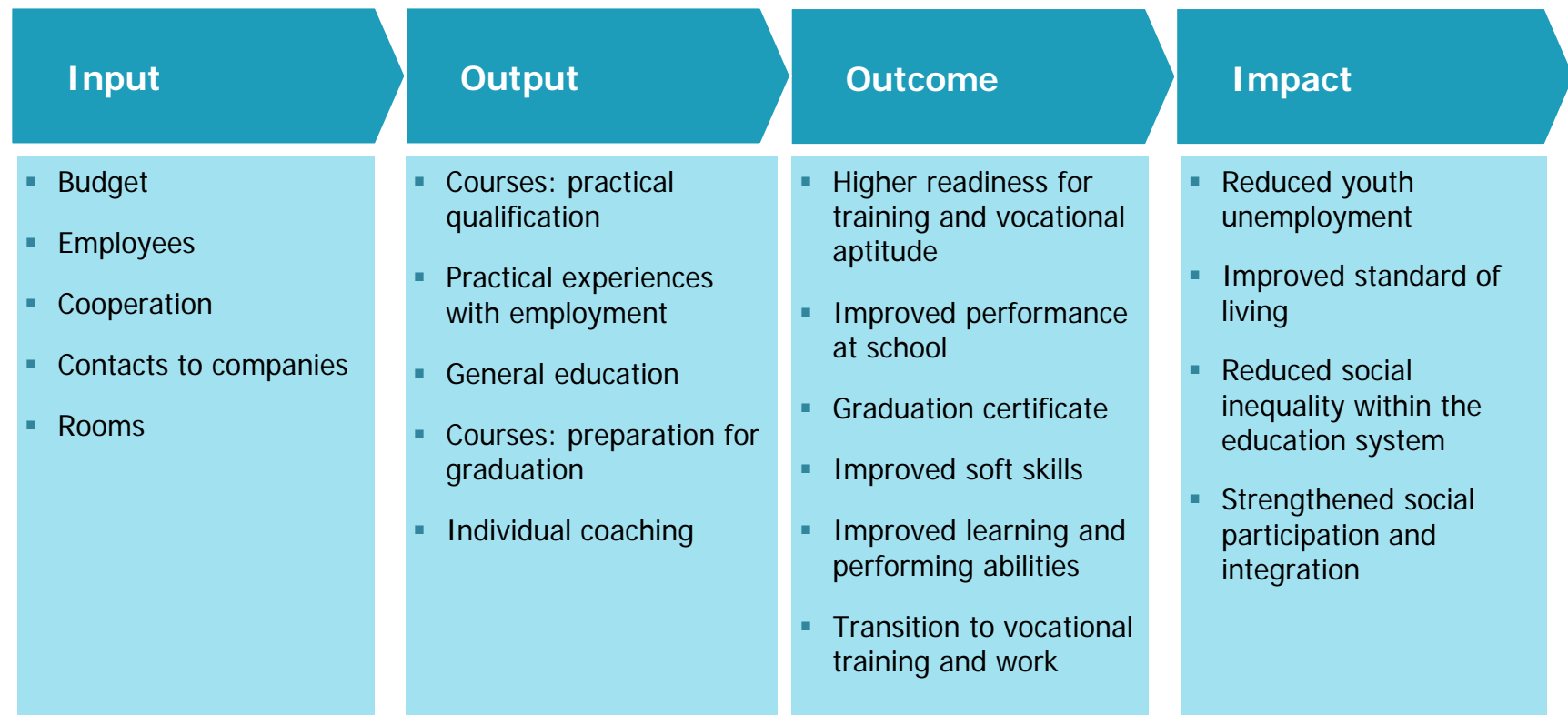




IOOI-Logic Model for Production School:

Social challenge:

Only 20 percent of young people without graduation manage to enter a vocational education.





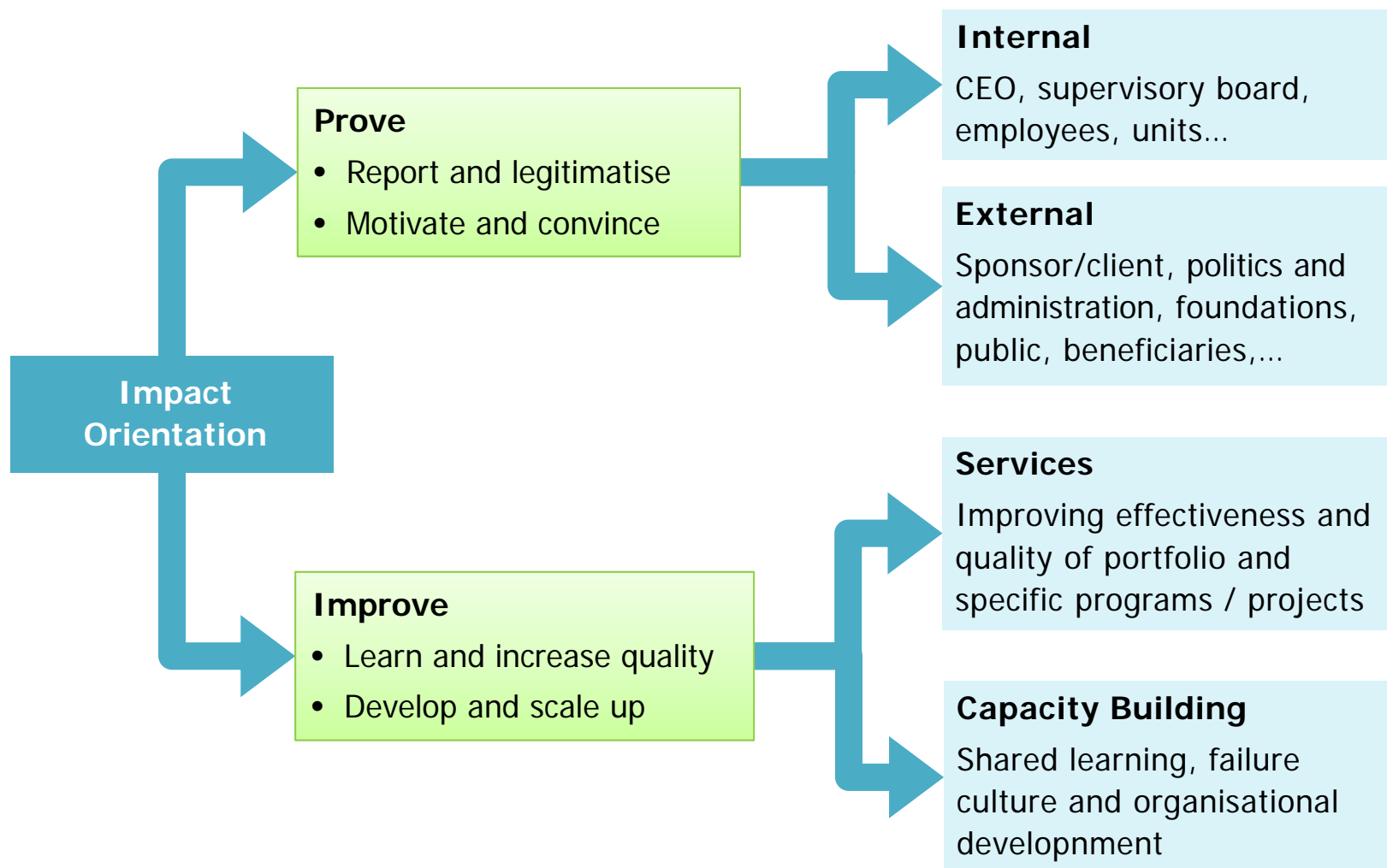
Impact orientation matters – internally and externally

Achieving impact is the underlying rationale of NPOs to exist!!!



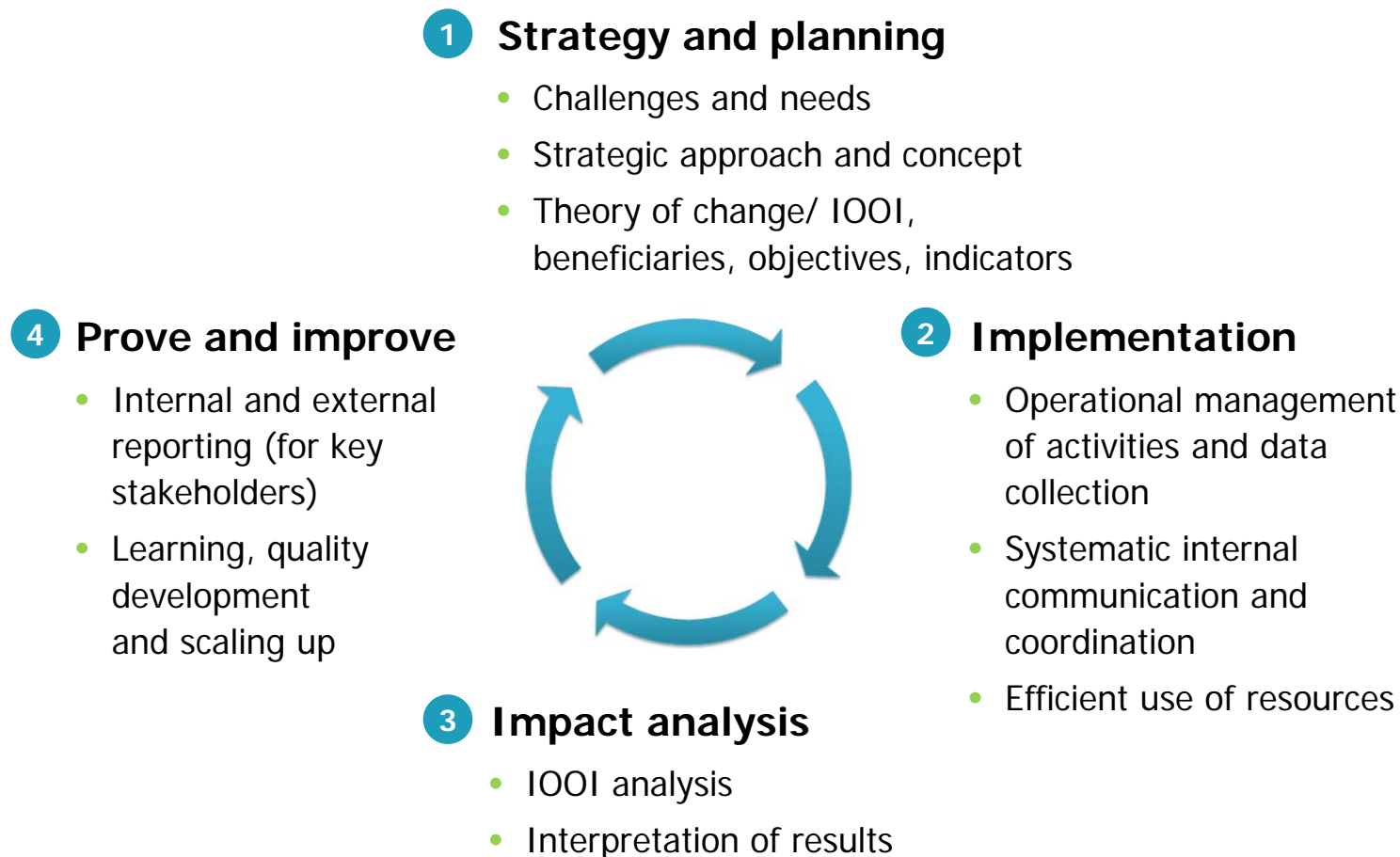


The two dimensions of impact orientation





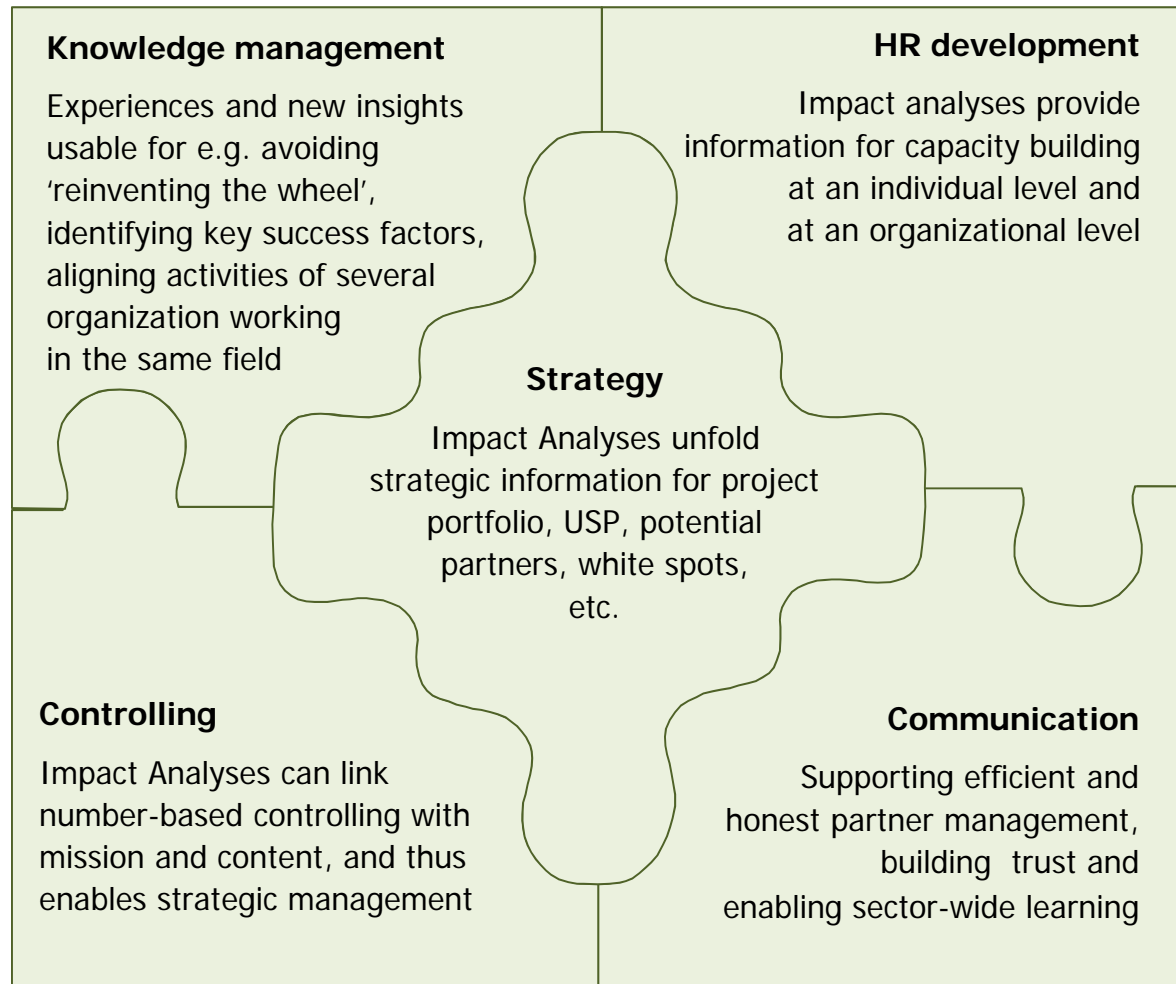
Impact-orientation means that projects are managed with a strong focus towards impact





How it matters ...

Impact orientation and impact analysis and reporting can foster improvements in all organizational dimensions:





Non-Profit Organizations have high expectations about impact orientation

- 
- 92% experience that impact orientation results in higher quality of work

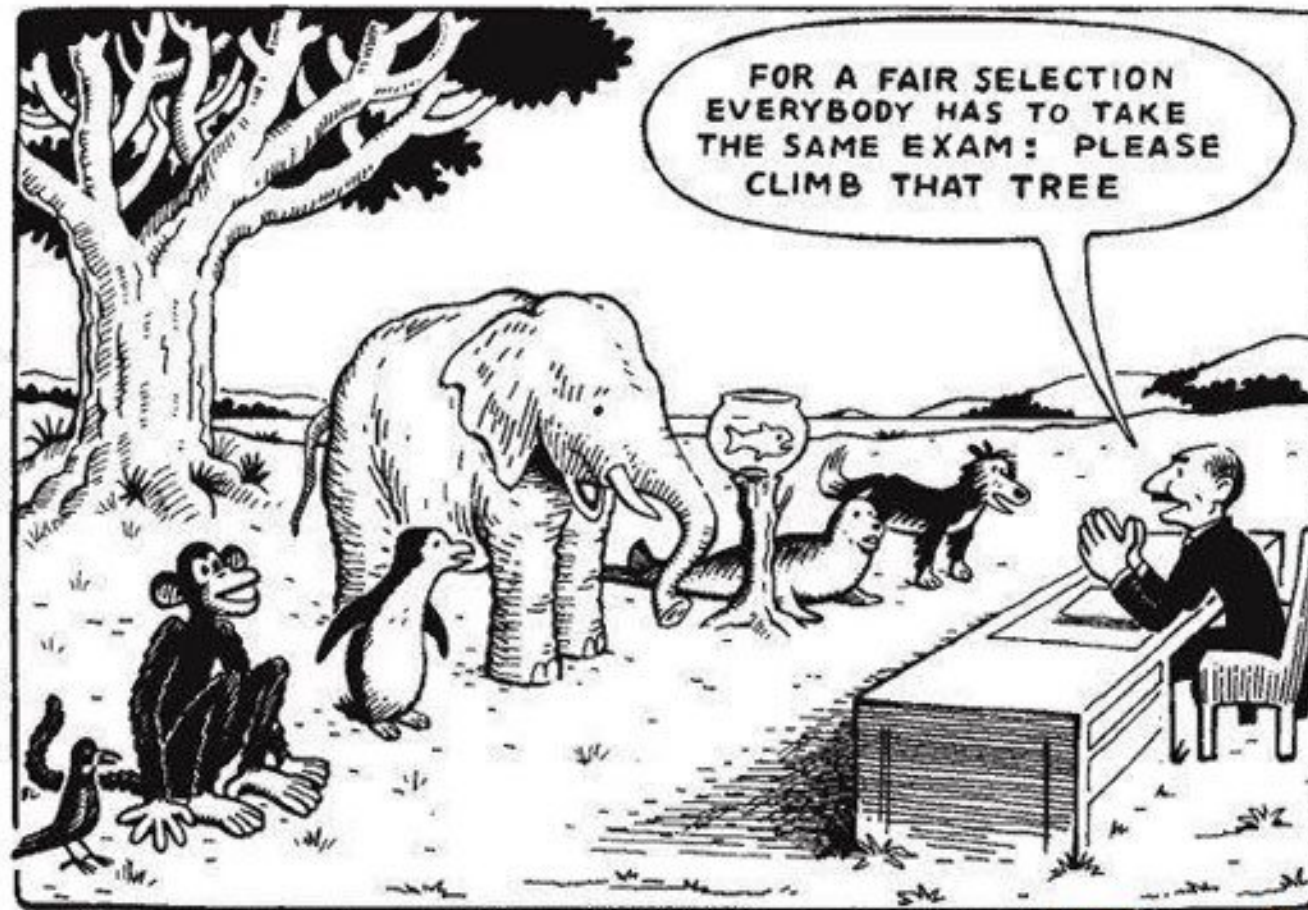
- 
- 71% expect positive outcomes when applying for funds

- 
- 83% believe that there a more effective ways for implementing their resources

Source: PHINEO-study „Wirkungorientierte Steuerung von Nonprofit-Organisationen (2013)



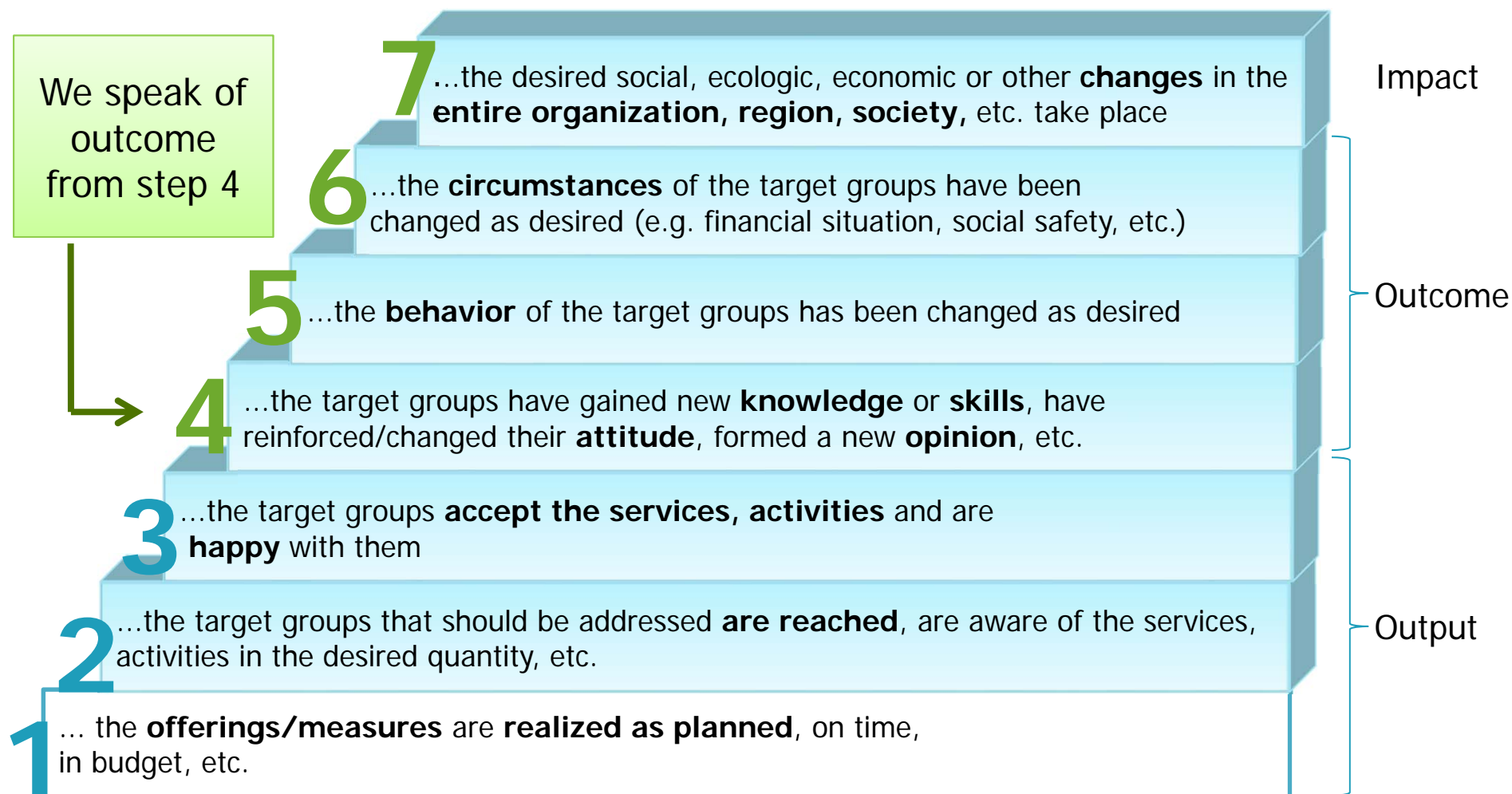
They each have their own kind of impact...



memecenter.com 

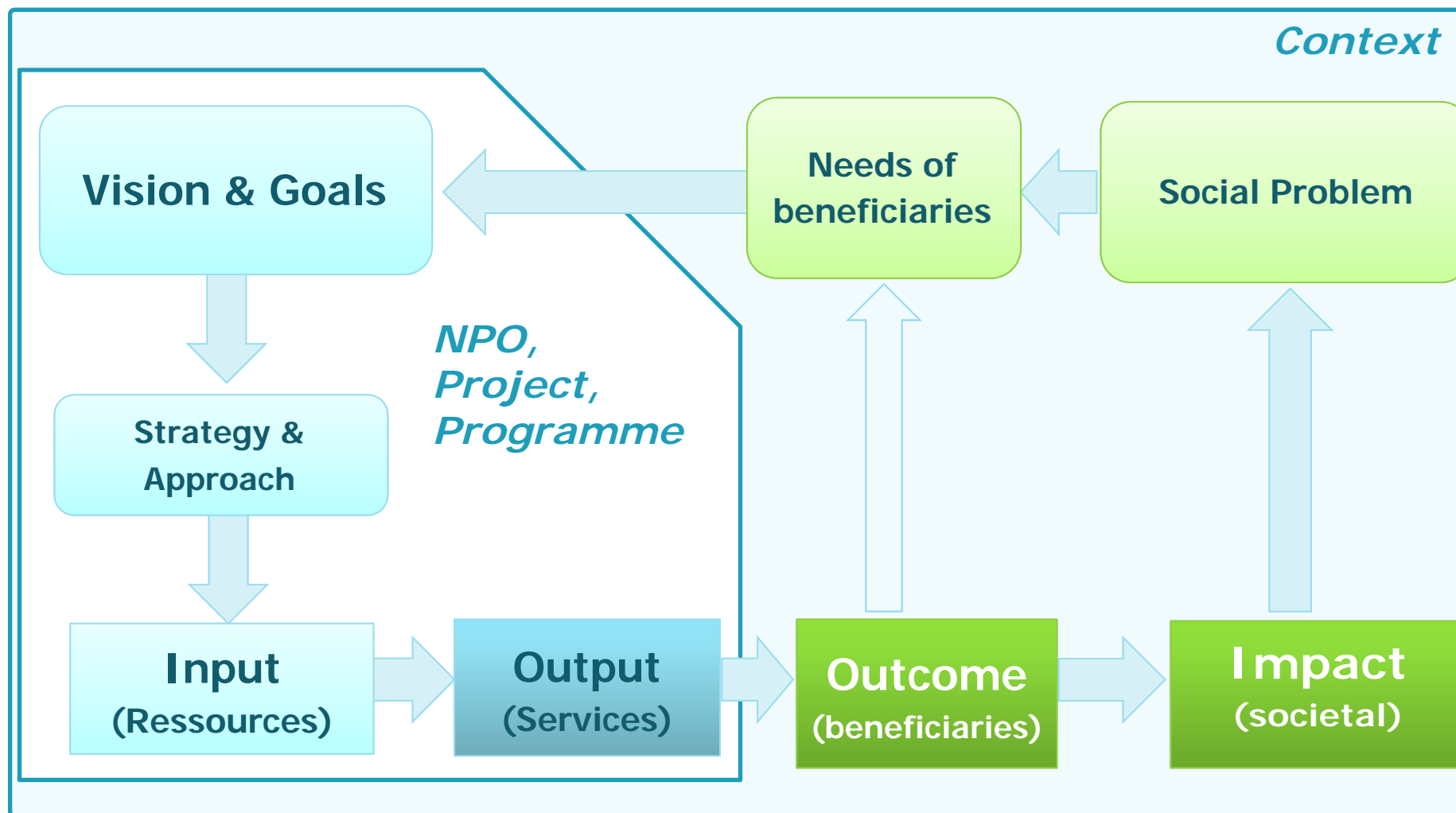


Which social impact goals exist?





Impact Logic





Agenda



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Develop your own „Theory of Change“

Social Challenge	<i>What is the specific social challenge you would like to address?</i>	Target Groups	<i>Which groups does your project target?</i>	Vision	<i>Which (ideal) social state are you striving for?</i>
Output Goals		<i>What kind of and how many activities or services do you provide the beneficiaries with?</i>		Outcome/Impact Goals	<i>Which direct changes to your target groups do you expect based on your activities?</i>
		<div data-bbox="763 805 1104 906"> <ol style="list-style-type: none"> 3 ...the beneficiaries reached accept the services, activities and are happy with them 2 ...the beneficiaries that should be addressed are reached, are aware of the services, activities in the desired quantity, etc. 1 ... the offerings/measures are realized as planned, on time, in budget, etc. </div>			<div data-bbox="1608 805 1939 922"> <ol style="list-style-type: none"> 7 ...the desired social, ecologic, economic or other changes in the entire organization, region, society, etc. take place 6 ...the circumstances of the beneficiaries reached have been changed as desired (e.g. financial situation, social safety, etc.) 5 ...the behavior of the beneficiaries reached has been changed as desired 4 ...the beneficiaries have gained new knowledge or skills, have reinforced/changed their attitude, formed a new opinion, etc. </div>
Indicators		<i>How could you observe whether your activity contributed to achieving a specific goals?</i>			



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Guiding questions: Social Challenge, Target Groups and Vision

Social Challenge

What is the **specific social challenge** you address?

- What is the **current situation**?
- How has the problem developed in the past and how will it continue to develop if nothing happens (consequences)?
- What are the **underlying causes** of the problem?

Target Groups

Which **groups** does your project target?

Vision

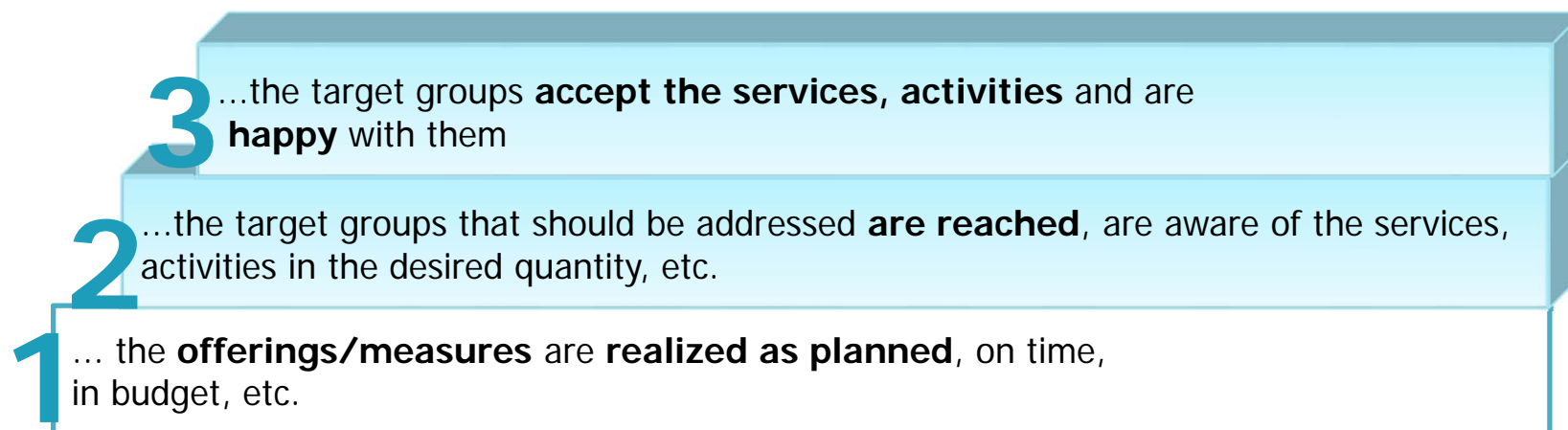
Which **ideal social state** are you striving for?

- What would have changed in the lives of the primary and secondary beneficiaries/target groups addressed by the project?
- What are your long-term goals (5-10 years)?



Guiding questions: Outputs

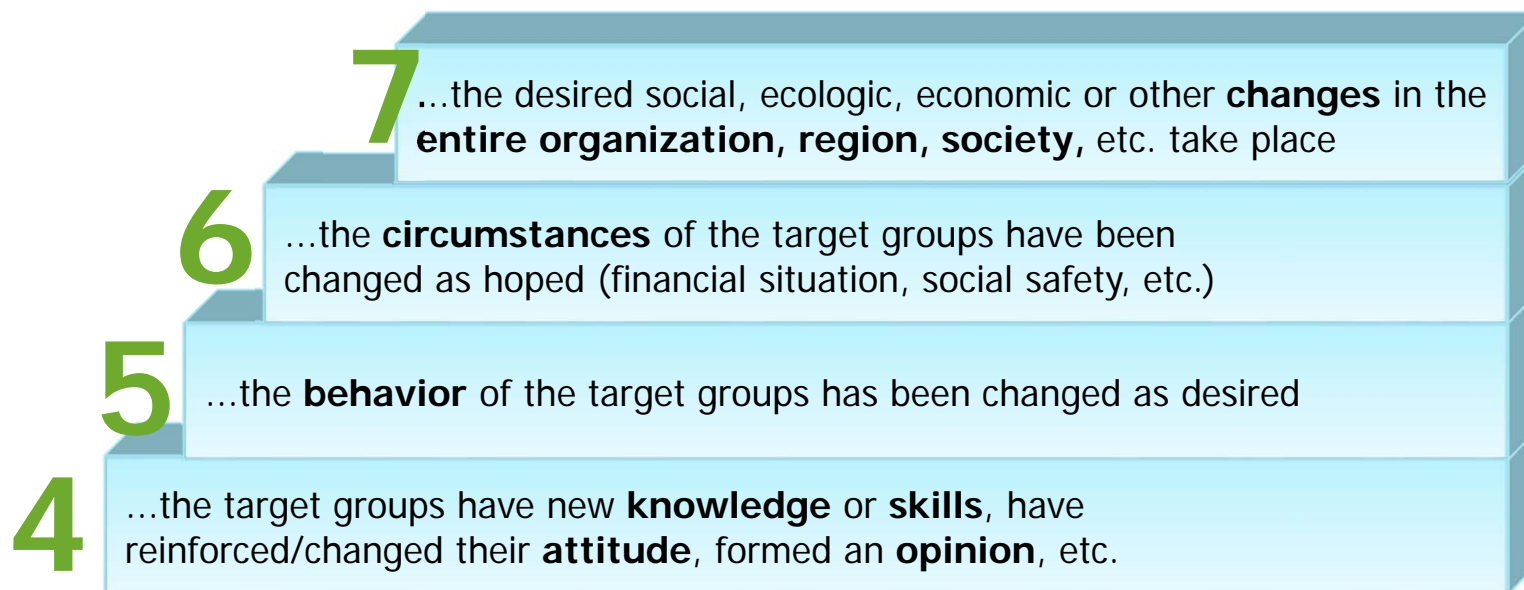
- What kind of and how many activities or services do you provide the beneficiaries with?
- How many members of the target groups have been reached (e.g. last year)?
- How did the members of the target groups react to the activities and services?





Guiding questions: Outcomes and Impact

- Which direct changes to your target groups do you expect based on your activities?
- Which changes to an entire organisation, region, society etc. do you expect based on your activities?





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Indicator - a definition

- Latin – indicare: to point out
- **Index/reference point for the existence of an issue that is not directly observable.**
- **Generally incomplete:** A single indicator usually is not sufficient to encompass a complex issue adequately.



What are indicators good for?

Using indicators you can compare...

- ... the development of different data **over time**
- ... existing data with **target values**
- ... **connections** between **different indicators**

Indicators are an important element of proper project planning and controlling.



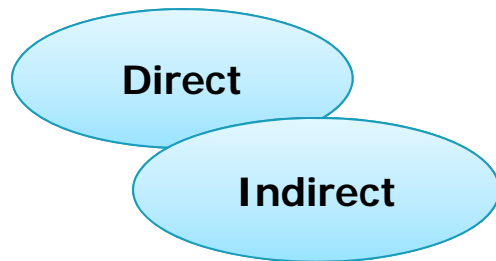
How to develop indicators?

Key question: How could I observe whether my activity contributed to achieving a specific objective?

- What would have changed? What should have improved?
- How would the circumstances of the beneficiaries have improved?
- Or use the reverse perspective: What would be signs that the circumstances of the beneficiaries have worsened?
- Reality check: Are there sufficient sources of data and information for the suggested indicators?



Types of indicators



Direct indicators exactly correspond with the results.

Indirect or „Proxy“-Indicators are used if direct measurements are not possible or feasible.

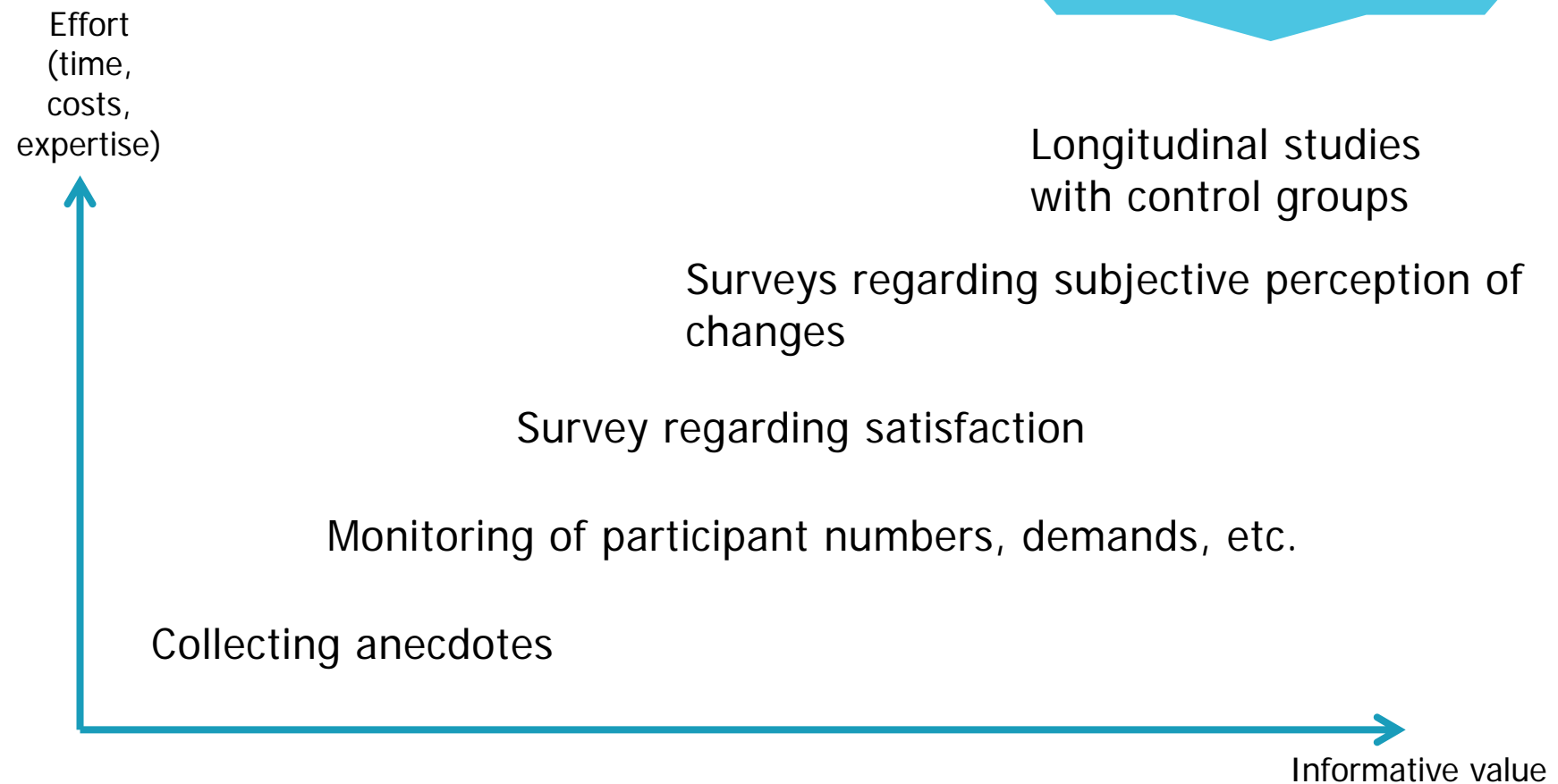


Indicators are usually **quantitative** (e.g. expressed as a percentage or ratio)

Indicators can also include **qualitative** observations

Many different methods can be used for an impact analysis

Rule of thumb: 5 to 10% of project budget should be allocated to impact analysis





Summary

- To achieve impact is the **ultimate goal** of every NPO
- Impact analysis aims at **proving and improving** the work of a NPO
- Impact analysis is a **holistic tool** involving all organizational dimensions of a NPO (is everybody on board?)
- Impact analysis begins with the right **mindset** and requires an overarching framework, e.g. the **IOOI model**
- Impact orientation requires openness, trust and the **will to continuously learn**
- Reflecting the impact goals, **appropriate indicators** have to be developed to plan, control and enhance the activities



THANK YOU FOR YOUR ATTENTION!

Contact

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Any questions?





BACKUP



PHINEO: A Think-and-Do-Tank and Non-Profit-Consultancy to support an impactful Social Sector

Examples of PHINEO's activities on different levels:

Mission and set-up:

- In 2010 PHINEO launched by broad group of partners of foundations (e.g. Bertelsmann Stiftung, Stiftung Mercator) and private sector (e.g. Deutsche Börse, KPMG, PwC)
- Mission to strengthen the social sector (qualitatively and quantitatively)
- Core expertise: Impact analysis, cross-sectoral collaboration, philanthropy
- Currently 33 experts working for PHINEO

Research & Agenda-Setting

Studies (e.g. transparency of charities; impact management tools in NPOs):



Placement of topics of the civil society in **media**:



Infrastructures for an efficient, transparent and impact-oriented third sector

Development and roll-out of a **reporting tool** for NPOs:



Market reports on social challenges and **awarding** of „Impact-Seal“:



Direct support of actors in civil society to prove and improve their impact

Social due diligence of NPOs (to date app. 600 NPOs):



Consulting foundations and corporates (e.g. philanthropic / corporate citizenship strategy, impact-evaluation instruments, collaborations):





Phineo addresses both...

ORGANIZATIONS

INVESTORS



better achieve their objectives



invest more sustainably



PHINEO enables effective social engagement

Creating and sharing knowledge



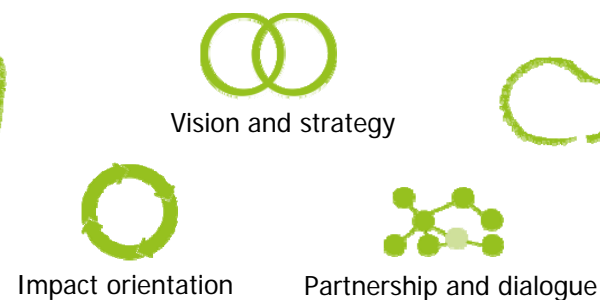
Showing best-practice NPOs and projects



Agenda setting



Supporting Social Investors





PHINEO is working with strong partners across sectors

About PHINEO



Social Investors (Examples)



PHINEOs shareholders (Examples)



Non-Profit-Organizations (Examples)